https://www.financial-planning.com/news/more-advisors-decreasing-client-digital-asset-allocations

Crypto caution: Advisors pulling back as bitcoin whipsaws
By Rob Burgess
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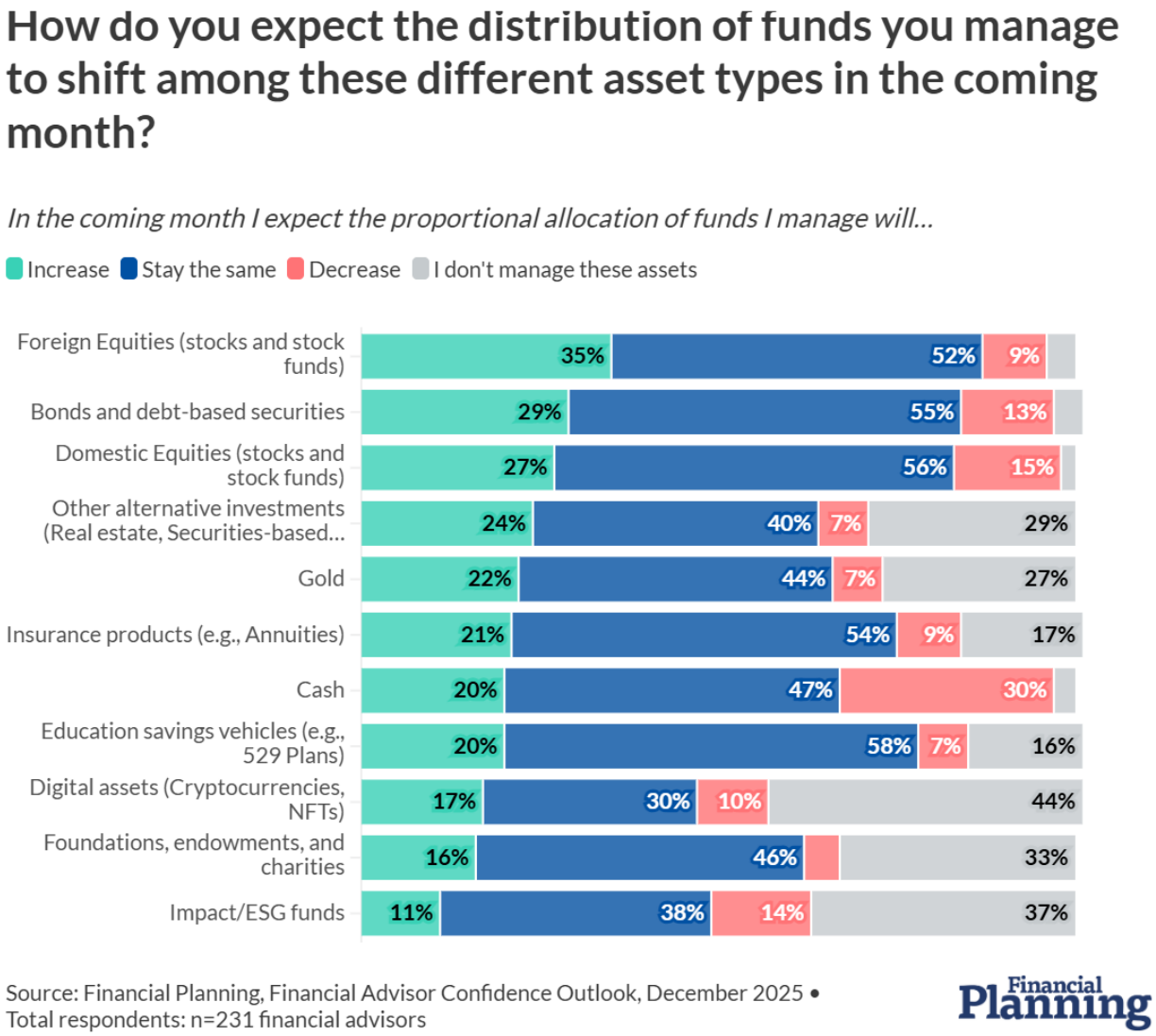
Between this month and November, more advisors are either decreasing or staying put with their digital assets allocations, including bitcoin.

That was among the findings in this month's Financial Advisor Confidence Outlook (FACO), a survey of advisors and planners from Financial Planning that measures confidence in the economy and other factors on a scale of minus-100 to 100.

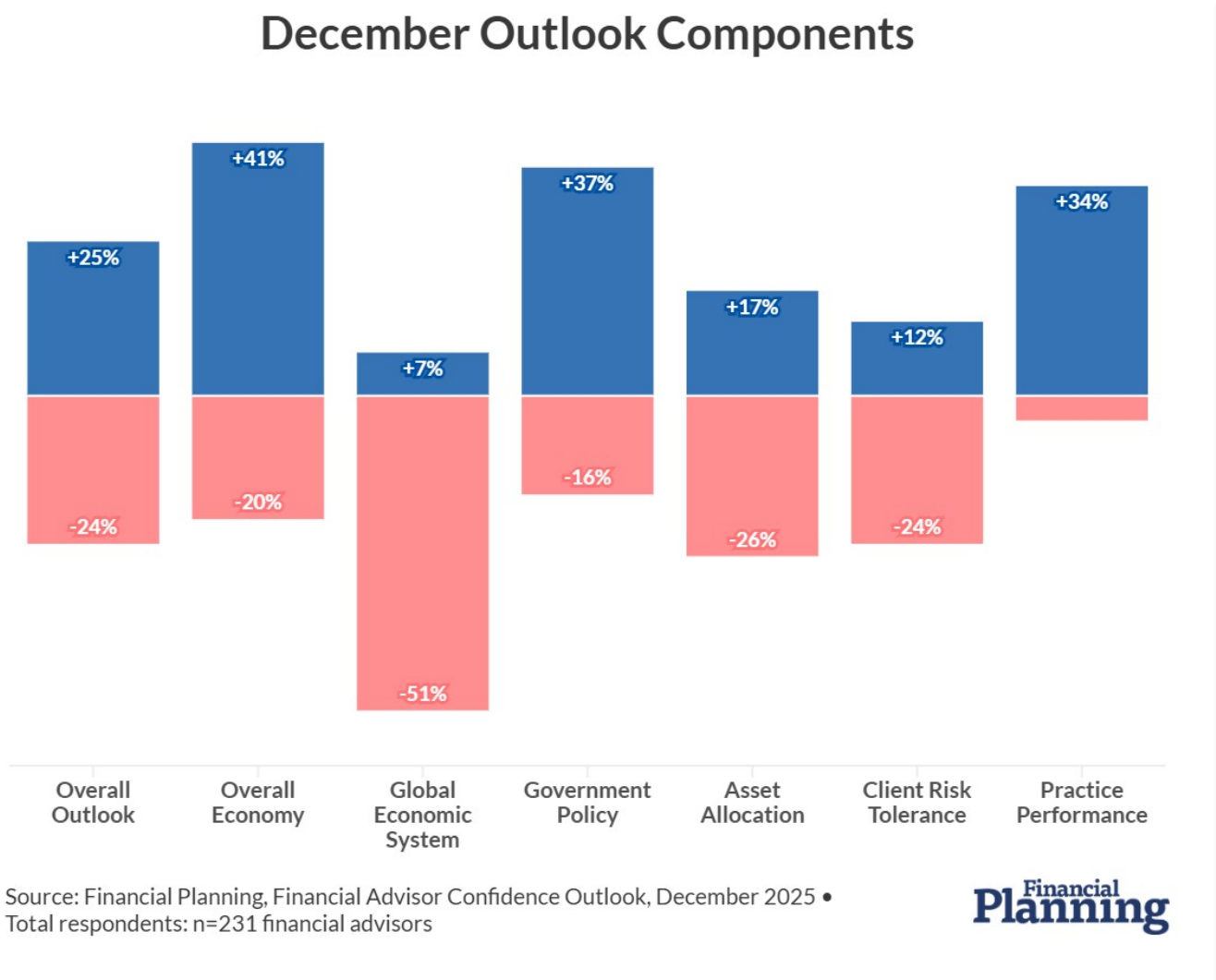

How do you expect the distribution of funds you manage to shift among these different asset types in the coming month?
In the coming month I expect the proportional allocation of funds I manage will...
Increase
Stay the same
Decrease
I don't manage these assets
Foreign Equities (stocks and stock funds) 35% 52% 9%
Bonds and debt-based securities 29% 55% 13%
Domestic Equities (stocks and stock funds) 27% 56% 15%
Other alternative investments (Real estate, Securities-based... 24% 40% 7% 29%
Gold 22% 44% 7% 27%
Insurance products (e.g., Annuities) 21% 54% 9% 17%
Cash 20% 47% 30%
Education savings vehicles (e.g., 529 Plans) 20% 58% 7% 16%
Digital assets (Cryptocurrencies, NFTs) 17% 30% 10% 44%
Foundations, endowments, and charities 16% 46% 33%
Impact/ESG funds 11% 38% 14% 37%
Source: Financial Planning, Financial Advisor Confidence Outlook, December 2025 •
Total respondents: n=231 financial advisors
Financial Planning

In November, 5% of respondents said they would decrease their clients' digital assets in the coming months, 23% said they would stay the same, 13% said they

would increase, and the remainder said they didn't manage them.

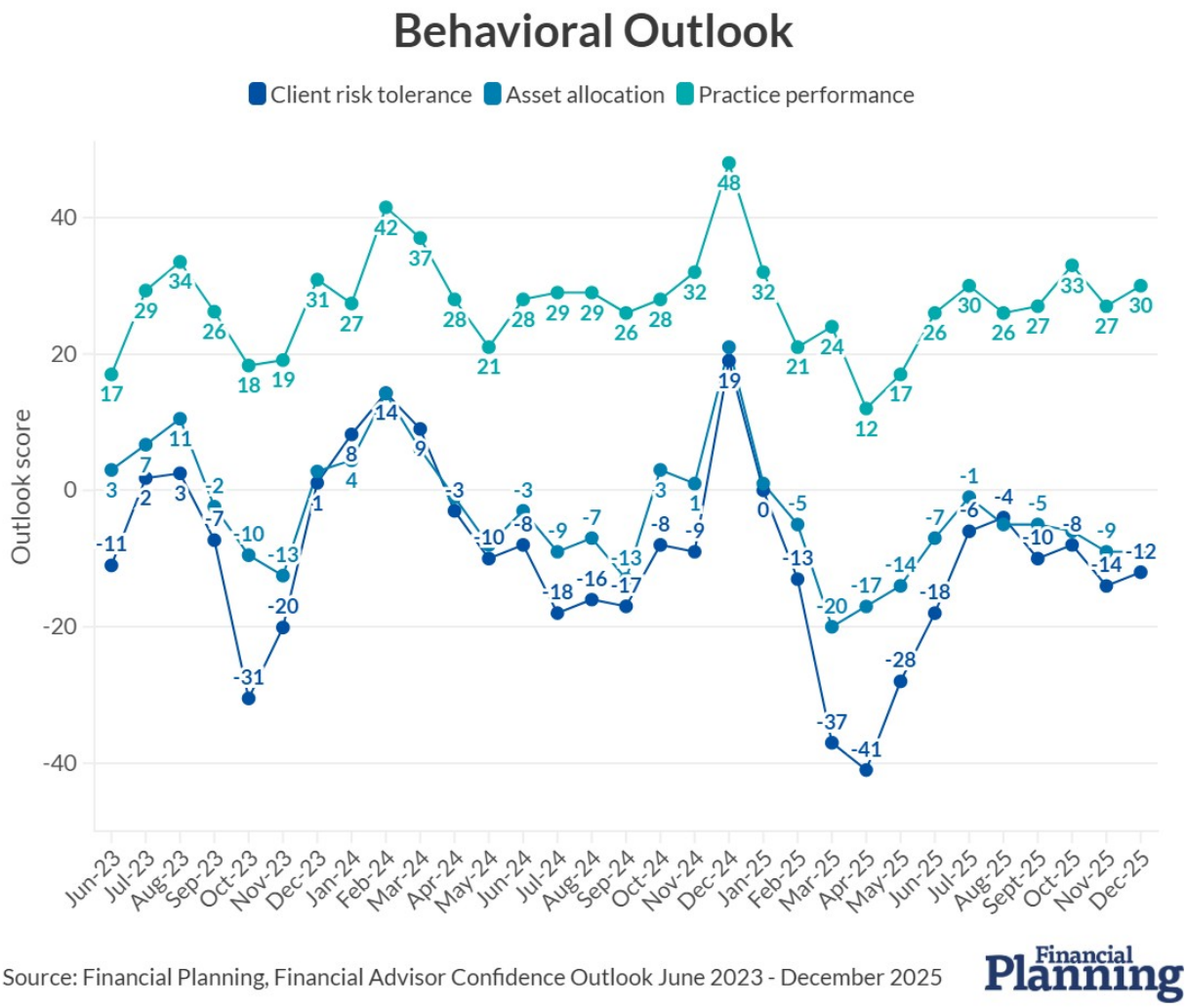
In December, 10% said they would decrease their clients' digital assets, 30% said they would stay the same, 17% said they would increase, and the remainder said they don't manage them.

The composite overall confidence outlook was mostly unchanged, according to FACO respondents. In November, that figure was at minus-3, and in December it was up slightly to 1, back to the same score as October.



Feelings about the overall economy were the best they've been in six months. In November, that category was at 13, and in December it rose to 20. The last time it was at least that high was July, when it was 28, just as the One Big Beautiful Bill Act was being signed into law. Likewise, confidence in government policy was also up from 17 in November to 21 in December.

Other metrics mostly remained unchanged. Asset allocations overall remained the same from last month at minus-9. Client risk tolerance went from minus-14 in November to minus-12 in December. Practice performance was also up slightly from 27 in November to 30 in December.



What advisors should tell clients about digital assets
It's not shocking to experts to see clients and advisors becoming concerned after the recent 30% bitcoin price pullback.

After reaching a record level of over $124,000 in October, it fell all the way to just over $84,000 in late November. By mid-December, the price had begun recovering somewhat to almost $88,000.

Nothing about the recent moves in digital asset prices surprises Henry Yoshida, CEO and founder of private and alternative investments IRA platform Rocket Dollar. When liquidity expectations shift, digital assets typically move first and fastest, he said.

"We've seen this playbook before: Surges in retail participation, institutional accumulation and regulatory clarity tend to accelerate trends already forming," he said. "The current environment reflects crypto's maturation as an alternative asset class rather than an outlier."

However, CK Zheng, partner and chief investment officer at crypto hedge fund ZX Squared Capital, said recent market developments suggest that bitcoin has entered a more stabilized phase.

"The earlier pullback toward the $82,000 level appears to be part of a normal bottoming process, rather than a shift into a prolonged downtrend," he said.

Yoshida said he would instruct advisors to have them reaffirm position size and time horizon to ensure they aren't investing on emotion alone. Crypto should be treated as a satellite allocation due to its volatility and noncorrelation to traditional asset classes, he said.

"For most long-term investor clients, holding steady while rebalancing back to target percentages makes more sense than chasing short-term price swings," he said. "The goal here is to establish a long-term position rather than making an emotional short-term trade."

Brian Spinelli, co-investment officer at Halbert Hargrove in Long Beach, California, said he's telling clients with digital assets in their portfolios to hold steady. Most of them who made small allocations within a broadly diversified portfolio knew this area would be volatile, he said.

"In most cases, it might be 1% to 2% of a portfolio, and many have gone through other moments like this with digital assets," he said. "They entered with small allocations with the understanding that it could do this, but it's not such a large allocation that it's throwing a portfolio, of course."

What does 2026 look like for digital assets?

Over the next three months, Yoshida said he expects elevated volatility but a general upward bias as liquidity expectations improve and institutional inflows continue. Mainstream adoption and regulatory clarity will support higher prices in the months ahead, he said.

"There may still be sharp pullbacks along the way, but the broader trend still leans toward crypto as a legitimate alternative asset class," he said. "Rapid swings are likely, but the structural direction will be upward."

If someone invests money in digital assets, Spinelli said they need a much longer time horizon than just three months and to accept that drawdowns like just occurred recently can happen fast.

"Using bitcoin as an example, there has been a lot of volatility along the way, but those who held and were patient have captured the upside," he said.

Considering the macro policy trajectory, liquidity backdrop and current market structure, Zheng said he expects bitcoin to potentially revisit the $100,000 to $120,000 range in the first quarter of 2026.

"While certain short-term risks may still emerge, our long-term outlook for bitcoin remains constructive and cautiously optimistic," he said. "We believe it's a great entry point for a long-term investor to invest in bitcoin."